

EXECUTIVE DIRECTOR'S MONTHLY REPORT

OCTOBER 2005

Each month I establish, with input from the Directors, the priority issues on which management and the staff focus. This report summarizes the work that was accomplished during the month as well as other items I feel will give the Council a better understanding of what the staff and I are doing to accomplish our performance objectives.

I. Improve the efficiency and accountability of management within the organization

- Completed KPMG field audit work. The audit will be presented to the Audit Committee at their meeting of November 10th. It will also be presented to the Regional Council at the regular meeting on December 1st.
- Successfully completed the FY 04/05 4th Quarter Progress Report. The meeting was the shortest in recent memory, an indication of Caltrans acceptance of the report data. Over 170 products were submitted with the report, completing the submittal of all finished FY04-05 products. Only 4 work elements had unplanned carryover and will have to be included in a budget amendment.
- The CFO staff completed programming a data base to manage FY 05-06 progress reports. The new software will significantly reduce the time required to prepare, and administer the progress report. Caltrans District 7 staff were consulted for the final design.
- Caltrans will begin a 'Post Audit of Claimed Expenses' of SCAG's FY 02/03 and FY 03/04 Overall Work Program (OWP) on October 3, 2005.

II. Provide support to the Regional Council in providing direction and Leadership to SCAG

- During the month of September I briefed the following new Regional Council Members. City of Montclair, Councilmember Paul Eaton, City of La Habra Heights, Mayor Stan Carroll, County of Imperial, Supervisor Victor Carrillo and City of El Centro, Councilman Jon Edney.
- On September 23rd I attended the Rose Institute Academy for Civic Engagement at Claremont McKenna College which was attended by three of our Regional Council Members. Richard Dixon, City of Lake Forest, Lee Ann Garcia, City of Grand Terrace, and Paula Lantz, City of Pomona. I participated in a panel on "Unlocking Gridlock" – How the battle to defeat traffic congestion and liberate the regional economy is being planned and funded.
- On September 26th I met with a visiting delegation from China at our SCAG office. I gave a presentation on Global Gateways as well as explaining SCAG's organization, mission and decision-making process. The 20-member delegation from the Chinese People's Political Consultative Conference were from Beijing where they and various municipalities are the staff to the Peoples Congress.

- The Tribal Government Relations Task Force held their first meeting on Friday, September 30, 2005. The task force members in attendance included: Hon. Ron Roberts, Temecula, Chair; Hon. Margaret Clark, Rosemead; Hon. Lawrence Dale, Barstow; Hon. Richard Dixon, Lake Forest; Hon. Tim Jasper, Town of Apple Valley; Hon. Robin Lowe, RCTC Rep.; Hon. Gary Ovitt, San Bernardino County; Hon. Greg Pettis, Cathedral City; Hon. Deborah Robertson, Rialto; Hon. Alan Wapner, Ontario.
- Utilizing concepts reviewed by the Executive Committee last September, the task force had an excellent discussion leading to the identification of possible changes to SCAG's By-laws in order to establish a role for Tribal Governments in the regional transportation planning process. The task force approved the distribution of the draft SCAG By-law changes to the Tribal Governments for their review and comment. Further research regarding the participation of Tribal Governments in the General Assembly is on-going. During the next 2 to 3 months SCAG staff will be coordinating meetings between the SCAG Tribal Government Relations Task Force members and elected Tribal Council members to discuss the proposed by law changes.
- Global Gateways. Recently, SCAG participated in two important discussions about the region's global competitiveness and its position as a global gateway mega-region. On September 8th, SCAG met with the San Diego Association of Governments (SANDAG) in San Juan Capistrano. I made a presentation on global gateways, the emergence of the mega-region, and the global gateway's emphasis on prosperity, equity, sustainability, and financing. Other related agenda items included updates on transportation planning, CEQA reform, and SANDAG's sustainable competitiveness report. Gary Gallegos and I presented our report to the Annual Metropolitan Regions Forum in Chicago.
- SCAG was represented by SCAG President Toni Young (Port Hueneme) and Regional Councilmembers Chris Norby (Orange County); Jeff Stone (Riverside County); Richard Dixon (Lake Forest); Debbie Cook (Huntington Beach); and Thomas Buckley (Lake Elsinore).

The discussion of global competitiveness continued on September 29th at the Southwest Compact Task Force bi-national hearing in El Centro. The discussion focused on the southwest mega-region, long range plans for the U.S.–Mexico border, local infrastructure and economic development and enhancing regional upward social mobility via innovative financing. Regional Council President Toni Young was joined at the bi-national hearing by Southwest Compact Task Force Vice-Chair Gene Daniels (Paramount) and RC members Victor Carrillo (Imperial County), Jon Edney (El Centro), Debbie Cook (Huntington Beach), Richard Dixon (Lake Forest), and Carl Morehouse (San Buenaventura). Former RC member and current Brawley Mayor Jo Shields (Brawley) and Imperial County Supervisor Larry Grogan also attended.

I want to extend my thanks to the hearing's participants from Mexico, including Hon. Samuel Enrique Ramos Flores, the Mayor of Mexicali, Baja California, whose remarks on upward social mobility resonated strongly with the hearing's attendants and echoed SCAG's commitment to improving quality of life for Californians living along the Southwest Passage via infrastructure development.

III. SCAG Operations

- Recruitments. The new Business Support Supervisor, Diane Cunningham, will start on October 17, 2005.

The panel interviews for the Director of Intergovernmental Relations are scheduled to occur in October with a final selection expected in November.

Several other staff level recruitments are underway.

- Professional Pathways/Staff Training. A Lead Regional Planner position was filled with an internal candidate via a recruitment process. This is the second internal promotion in the last six months.

Mandatory preventing harassment and discrimination training was held for all staff in September and Directors and Managers in October. Scope of Work training for all project managers and managers was held on October 12th. Human Resources is working with an outside training and organizational development firm on a comprehensive program for supervisory/management training as well as career development, resume writing and interviewing skills workshops.

Speech Training in English Pronunciation (STEP) classes for up to 12 staff will be held over the next 12 weeks.

- Information Technology. After detailed planning and preparation over past several months, we have completed the Phase 3 Information Technology implementation in late September. We have upgraded all the computers to Dell 2005 with Windows XP & Office 2003 software. We have also migrated our e-mail system from GroupWise to Outlook 2003. The Phase 3 Information Technology implementation is successful. In the next a few weeks we will be completing the transitioning period including Graphic staff training and new modeling software installation.

This information technology makeover advances our capabilities by nearly 10 years in both hardware and software. Significant improvements in computing speed and reliability will result in increased staff productivity. In the upcoming months, we will upgrade telephone and video conferencing equipment.

IV. Implement Adopted Regional Plans

- Goods Movement. This month, SCAG released a report entitled 'Goods Movement in Southern California: The Challenge, The Opportunity, and The Solution'. The report outlines the challenge, the opportunity, and the solution this region can achieve in trying to both reap the benefits of goods movement while also addressing the negative environmental and community impacts of goods movement. Staff also finalized the Port and Modal Elasticity Study. Key conclusions of this study are that the container traffic through our ports is more sensitive to congestions in the system rather than a container fee up to a certain point and that a container fee of up to \$190-200 per forty-foot equivalent unit (FEU) will not result in diversion of containers from our ports in any significant way if the revenue from this fee is invested in a wisely planned set of improvements to our goods movement system. Furthermore, the study concludes that the container fee imposed would discourage low-value cargo, which contributes very little to our regional economy and encourage more high-value transload cargos, which tend to get value-added in our region, thereby creating more jobs and contributing to the overall

economy of the region. The findings of this study as well as staff work on ‘Value Matrics’ demonstrating the value of the proposed Goods Movement System Improvements to the private sector were presented to the stakeholders at the third round table meeting on Goods Movement in San Bernardino County on August 23, 2005. The meeting was well attended by both public and private stakeholder representatives and both of these presentations were well received. Over the next several months staff will continue to outreach and build consensus on these work products/findings with our key partners, stakeholders, key individuals in private sector, and our legislative representatives in Sacramento as well as Washington, D.C. We continue to brief the Commission CEOs. Currently we are discussing institutional alternatives for high cost inter-county projects with them.

- Compass 2% Strategy. We’ve received a very positive response from our member cities on the Compass 2% Strategy Demonstration Project opportunities. We’ve received several applications to date and have met with many cities to discuss partnering on potential projects. Please encourage your staff to review the program details on the Compass website @ www.socalcompass.org or contact Brian Wallace @ 213-236-1851 for additional information.

Hasan Ikhata and myself presented on the Compass 2% Strategy Demonstration Project opportunities for local governments at the Rialto Leadership Academy and the Imperial Valley Association of Governments (IVAG) Executive Committee meeting. These visually dynamic presentations are being scheduled throughout the region to promote the fact that SCAG is accepting applications from cities and counties to partner on plans and projects that support the Compass principles. Through this program, SCAG will provide consultant resources and technical assistance for planning purposes to selected applicants. Please contact Mark Butala @ 213-236-1945 or butala@scag.ca.gov for additional information or to schedule a presentation to your Council or Board.

- Blueprint Planning Grants Program. SCAG is in the midst of preparing its application for \$2-3 Million of the available \$5 Million for Blueprint planning. Our proposal focuses on Compass 2% Strategy implementation with an emphasis on promoting appropriate regional housing opportunities for all income levels. We have contacted all Subregional Coordinators, Regional Council members, and many other cities and agencies to request letters of support for securing SCAG's share of the statewide grant funds. We have also made contact and received commitment from specific partners who are willing to dedicate a match of in-kind support to ensure that our application demonstrates strong regional support. The application was submitted to CALTRANS on September 30th.

V. Develop Additional Planning Efforts

- Aviation/Maglev. Staff met with IBI Group to discuss the potential cost savings of developing Maglev connections between LAX and suburban airports such as Ontario and San Bernardino International that would allow aircraft operations to be diverted to those airports thereby eliminating the need to make facility improvements at LAX. Staff will continue to work with the IBI Group to further explore the cost advantage of implementing a Maglev System connecting regional airports over airport facility improvements at LAX at enormous costs.

- RTP Update. Staff is in the process of assessing the implications of the SAFETEA-LU bill on our on-going RTP update effort. Specifically, SAFETEA-LU allows update of the RTP every four years rather than every three years required under TEA-21. At the same time, it also requires MPOs to comply with additional and/or expanded programmatic requirements through the update process, such as explicit inclusion of environmental mitigation measures into the RTP, address transportation system security issues in addition to safety issues, added emphasis on system maintenance and operation, added emphasis on transportation and land use coordination and so on. Furthermore, conformity on the current RTP (2004 RTP) runs out on June 16, 2007. Any consideration of extending RTP update pursuant to SAFETEA-LU would have to address this issue. Staff is working on clarifying and resolving these issues so that a final decision can be made within the next couple of months whether to update the RTP pursuant to current schedule or to take advantage of the new SAFETEA-LU provision that would allow extending the plan update by a maximum of one year.
- Regional Comprehensive Plan (RCP). The Regional Comprehensive Plan (RCP) Task Force is continuing its deliberations on an expanded approach to the Plan. The new work plan, if approved by the Regional Council, would include developing a full range of Plan outcomes, collaborating with other planning agencies, and developing finance and mitigation mechanisms. The policy committees will be considering action on the new approach at their October 10 meetings. Additionally, I met with Secretary of Resources Mike Chrisman regarding a State/SCAG collaboration on portions of the Regional Comprehensive Plan. The resulting plan would serve as a model for how regional plans could serve as a basis for CEQA project streamlining. SCAG received a positive response to this concept. I also met with Rosario Marin, Chairman of the State Integrated Water Management Board about partnering with the Board in preparing the Solid Waste Chapter. She indicated that they would definitely participate in preparing a long range strategy that is market based.
- CEQA. Senator Torlakson has drafted amendments to his SB 832 that would establish many of the CEQA improvements sought by SCAG and others. The amendments however, have not been introduced for the current session. I and members of the staff continue to participate in the CEQA Improvement Advisory Group process. Several working groups have been established to address in more detail resource protection, financing, land owner incentives, performance outcomes and measurements and housing supply and infrastructure. The purpose of the working groups is to bring forward proposals to the larger CEQA Improvement Advisory Group which may then start to develop, if appropriate legislative proposals in the October/November timeframe. SCAG is hopeful that substantive CEQA reforms will be taken up again next year.
- Water Affairs. Staff organized activities for a delegation of water planners and engineers from South Korea, including briefings on water management efforts in the Lower Owens Valley, on flood protection and water quality projects at Prado Dam and on the water reliability benefits produced by Metropolitan Water District's Diamond Valley Lake. Staff also facilitated further first-time discussions between regional air quality and water quality regulators in order to consider the role of aerial deposition in stormwater pollution and ways to achieve needed source controls. In addition, staff reviewed and offered input to a report prepared by the Water Education Foundation: "The Ahwahnee Water Principles: Embedding Non Point Sources in Community Development". This report promotes best management practices in communities that improve water quality by minimizing polluted runoff.

At its meeting on September 8th the Water Policy Task Force featured Water Conservation themes that offer local agencies a role in developing “new” water supplies that will accommodate future growth within communities in the SCAG region.

- Air Quality and Transportation Conformity. This month staff worked with regional and federal partners to coordinate implementation of the new conformity regulations and conformity provisions in the new Transportation Reauthorization, SAFETEA-LU. On September 15th, staff represented Southern California in a fine particle (PM_{2.5}) workshop in Sacramento hosted by the Federal Highways Administration (FHWA) and US Environmental Protection Agency (EPA). This workshop provided guidance on the required content of the first PM_{2.5} conformity determinations, and allowed staff to explore potential options for the determination that FHWA will need to approve by April 5, 2006. On September 22nd, SCAG hosted the Statewide Transportation Working Group and the Southern California Working Group. Throughout the month, staff continued discussions with the ports and other key goods movement stakeholders on strategies to reduce port-related air pollution.
- Regional Economy. Planning continues for the 2006 Regional Economic Forecast Conference. A Production Team has been formed to develop strategies for funding conference logistics and the venue has been selected. A Program Planning Group is being formed to develop the Conference themes and program. The program for this January 2006 event will be linked to the 2006 State of the Region report, which will be released about two weeks prior to the Conference.
- HUD/BIA Housing Summit. U.S. Deputy Secretary of Housing and Urban Development Roy Bernardi and state and local officials addressed community leaders and developers about the lack of housing affordability and availability in Southern California. Bernardi, along with California Department of Housing and Community Director Lucetta Dunn and other distinguished speakers, emphasized streamlining the regulatory process as a means to remove barriers to affordable housing. I participated and discussed how the emergence of the logistics industry provides a new employment base that bolsters the region's middle class and make housing more affordable by raising overall income levels. In also discussed how co-operative local government efforts within regions can have a substantial reduction in housing costs, citing the Portland region experience as a model. About 500 people attended the Summit which was held at the Ontario Convention Center, Ontario, CA. SCAG was one of several event sponsors and staff provided information about the Compass growth visioning program and general information about SCAG.

VI. Data & Planning Methods

- Transportation Model Improvement. Following several years of data analysis and testing, SCAG staff has begun receiving delivery of a new set of travel simulation models in September. These new models utilize information from the 2000 Census; the Year 2000 Post-Census Regional Travel Survey; transit operator on-board origin-destination surveys; and, various regional inventory, cordon, screenline, and arterial speed surveys. LADOT provided significant support through a survey of Los Angeles County peak period parking restrictions to identify the arterial streets with increased capacity during the peak commuter periods. These new models incorporate numerous improvements to better replicate both travel behavior and transportation system conditions resulting from the travel demands placed upon it.

The modeling area has been expanded to cover the entire region including Imperial County and the rural areas of San Bernardino and Riverside Counties for the first time. The Regional Modeling Task Force and a national peer review committee sponsored by USDOT provided guidance throughout the model improvement program. These new models will be important tools in the assessment of regional air quality conformity and in the evaluation of transportation and future growth alternatives in the upcoming Regional Transportation Plan.

- National Census Conference. Staff recently attended a National Census Conference in Alexandria, Virginia. Among the items discussed included the American Community Survey, 2010 Census, Economic Census, and Local Employment Dynamics program. In particular, it was discussed that the new program of the annual American Community Survey (ACS) may not continue pending adequate federal funding for the upcoming fiscal year. In the event that ACS is discontinued, the 2010 Census will continue to include the long-form portion that ACS is intended to replace. SCAG staff will be working with our member agencies to coordinate/conduct training courses leading to the 2010 Census.

VII. Legislative Program

Implement the Legislative Program

- Implementation of SAFETEA-LU and Federal Appropriations. Although the physical impact of Hurricane Katrina was felt thousands of miles away, the storm's destructive force may extend to Southern California in an unexpected way: via cuts to federal transportation funding. In the wake of Katrina, the President has asked Congress to make across-the-board cuts to appropriations measures to help pay for relief efforts and rebuilding. I will update the Regional Council as developments arise.
- State Legislature. The State Legislature adjourned for the 2005 session on September 9th and will not reconvene until January 4, 2006 for the carryover session. Through the end of the session, SCAG continued to provide useful technical assistance to the Administration and legislators in the areas of CEQA and housing reform and transportation financing. Negotiations broke down over the November special election, unfortunately, and progress stalled on several measures of great importance to Southern California. We will work with legislators and the Administration over the interim on hearings and amendments in preparation of a successful 2006 carryover session. BTH/Caltrans has rolled out their Go California Strategy. There will be Statewide workshops to get further input.